

## Message Text

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ACTION NEA-10

INFO OCT-01 EA-07 ISO-00 SP-02 USIA-06 AID-05 EB-07 NSC-05

CIEP-01 TRSE-00 SS-15 OMB-01 CEA-01 L-03 H-02 CIAE-00

COME-00 FRB-03 INR-07 NSAE-00 XMB-02 OPIC-03 LAB-04

SIL-01 PA-01 PRS-01 /088 W

----- 013489

R 201120Z APR 76

FM AMEMBASSY CAIRO

TO SECSTATE WASHDC 2221

INFO AMEMBASSY TOKYO

CONFIDENTIAL CAIRO 5315

E.O. 11652: GDS

TAGS: EAID, EFIN, JA, EG

SUBJECT: GOE USE OF JAPANESE ASSISTANCE

REFS: (A) STATE 087149, (B) CAIRO 4774, (C) CAIRO 4548

1. WHEN MEETING WITH MINECONCOOP ZAKI SHAFEI  
YESTERDAY, I CONVEYED OUR UNDERSTANDING THAT  
JAPANESE EXPORT/IMPORT LOANS ARE FLEXIBLE IN  
BOTH TERMS AND LENGTH. WE WERE NOT AWARE  
OF HOW MUCH NEGOTIATING ROLE THERE MAY BE,  
BUT HOPED THE EGYPTIANS WOULD SEEK TO OBTAIN THE  
BEST POSSIBLE TERMS. AT LAST STATEMENT, SHAFEI  
LOOKED QUIZZICALLY AT ME AND SAID "YOU MAY BE SURE  
WE WILL."

2. I ALSO TOLD SHAFEI WHAT I HAD EARLIER TOLD  
THE PRIMIN, NAMELY THE IMPORTANCE OF GOE EXPEDITIOUSLY  
NEGOTIATING FOR THE USE OF THE REMAINING BALANCES  
OF THE NON-PROJECT LOAN (REFTEL C). I NOTED  
JAPANESE HAVE TOLD US THAT THEY DO NOT WISH TO  
SIGN LETTR FOR SECOND \$25 MILLION INCREMENT UNTIL  
AT LEAST HALF OF FIRST IS DRAWN DOWN. SINCE  
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JAPANESE HAVE TOLD US THEY SEE LITTLE POINT IN

CONSIDERING FURTHER HELP UNTIL EXISTING AID  
ALLOCATIONS HAVE BEEN USED, IT IS CLEARLY DESIRABLE  
THAT GOE TAKE NECESSARY STEPS TO REMOVE THIS OBSTACLE.

3. SHAFEI WAS PUZZLED. LIKE THE PRIMIN, HE  
INSISTED THAT NEGOTIATIONS ARE ALREADY UNDERWAY  
FOR THE USE OF ALL THE JAPANESE AID, PROJECT AND  
NON-PROJECT. HE PROFESSED TO BE UNAWARE OF THE  
STATUS OF SIGNING THE SECOND LOAN AGREEMENT  
FOR NON-PROJECT AID, BUT CLAIMED DISCUSSIONS  
ARE ALREADY WELL UNDERWAY ON UTILIZING THIS  
INCREMENT ALONG WITH THE FIRST. HE PROMISED TO  
SEND ME A REPORT ON GOE USE OF THE VARIOUS TYPES  
OF JAPANESE ASSISTANCE.

4. AT HIS REQUEST, I AGREED TO SEND HIM A  
MEMORANDUM ON OUR UNDERSTANDING OF THE STATUS OF  
JAPANESE AID TO EGYPT, WHICH HE MIGHT THEN  
COMPARE WITH HIS OWN INFORMATION. I HAVE DONE  
SO TODAY, STRESSING IT IS AN ENTIRELY INFORMAL  
DOCUMENT SOLELY FOR SHAFEI'S USE AND SHOULD NOT  
BE DISCUSSED WITH JAPANESE.  
EILTS

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NNN

## Message Attributes

**Automatic Decaptoning:** X  
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**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** ECONOMIC ASSISTANCE, LOANS  
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**Copy:** SINGLE  
**Draft Date:** 20 APR 1976  
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**Disposition Approved on Date:**  
**Disposition Authority:** BoyleJA  
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